

**CITY OF CHARLESTON, SOUTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2009**

SPECIAL REVENUE FUNDS

These funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are restricted (legally or by Mayor and Council) to finance particular functions or activities.

Accommodations Tax Fund accounts for the City's share of the two percent statewide tax on lodging allocated from the State of South Carolina for promotion of tourism and tourism-related activities and facilities.

Housing and Urban Development Fund accounts for monies the City receives from the Department of Housing and Urban Development. This includes Community Development Block Grants; HOME, Housing Opportunities for Persons with AIDS (HOPWA), Lead Paint Hazard Control and Section 108 Loan programs; and other Special Economic Development Initiative grants expended by the City to revitalize and restore the City's urban areas.

Cultural Festivals and Events Fund accounts for the grants, private donations, and user fee revenues, and various program and general expenses of the annual Piccolo Spoleto, MOJA and other festivals.

Hospitality Fee Fund accounts for the 2% fee on the gross proceeds of prepared food and beverage sales. The funds are transferred to the General Fund and various other funds to offset the costs of tourism-related services and to fund various tourism-related capital projects. The fees are also used to provide operational funding to several tourism-related entities and facilities.

Justice Department Grants Fund accounts for the activities of various grants received from the Department of Justice for law enforcement activities.

Municipal Accommodations Fee Fund became effective in March 1996. Ordinances established two separate 1% fees to be imposed on the gross proceeds derived from the transient rental of accommodations within the City. The fees are used to defray the cost of capital improvements and operating costs beneficial to the tourism industry and to provide property tax relief.

Resystemization Fund accounts for funds received for the purchase and implementation of major new computer systems for the City.

Environmental Settlements Fund accounts for funds received under agreements to assist with mitigation and control of potentially hazardous materials at various sites near Calhoun and Concord Streets.

SCE&G Non-Standard Service Fund accounts for funds used to finance special equipment and/or facilities and special landscaping or screening of facilities within the City, particularly in historic areas.

Seized and Forfeited Assets Fund accounts for property seized during narcotics investigation activities which is pending disposition or has been forfeited to the City by the courts.

Stormwater Utility Fund accounts for the maintenance of stormwater management, sediment control, flood control, and facilities. Funding for the Stormwater Utility fund is derived from user fees, which are based on equivalent residential units of \$6.00.

Impact Fee Fund accounts for funds received on new developments to be used for environmental and public safety services.

Other Special Revenue Fund accounts for various grants or other restricted revenues, and related expenditures not included under the above funds.

(continued)

**CITY OF CHARLESTON, SOUTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2009**

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for financial resources for the acquisition and/or construction of major capital facilities and equipment (other than those financed by the proprietary fund). The primary sources of monies in these funds are proceeds of general obligation bonds and certificates of participation, grants, contributions, property taxes, and settlements from private sources. The City has the following nonmajor capital projects funds:

Certificates of Participation (COP) Fund accounts for the funding sources and construction costs of the following projects:

Alexander Auditorium Garage – a five level, 560 space parking facility to serve the Gaillard Municipal Auditorium, Charleston County School District Office, the Charleston County library, and the Marine Science Museum.

Joseph P. Riley, Jr. Baseball Park – a 6,000 seat (expandable to 10,000 seats) Class "A" baseball facility.

Fire Stations – construction and upfitting of new fire stations.

R. M. Greenberg Municipal Building – renovating the Lockwood Drive Police, Traffic and Transportation, and Department of Motor Vehicles complex and construction of a 36,368 square foot addition to the facility.

Market Head Hall – accounts for the funding sources and renovation costs of the Market Head Hall.

Parks Department Headquarters – renovation of former Coke Building at 823 Meeting Street for use as Parks Department main offices.

Parks – development of a tennis center at Ft. Johnson Road Park, improvement of Honey Hill Park and expansion of ball field facilities at James Island Recreation Center and continued development of a Johns Island park.

Riviera Theater – acquisition and renovation of the art deco Riviera Theater for use as a retail space and conference rooms to be used by the Charleston Place.

Administrative Costs – including bond principal and interest payments, issuance costs, and related professional and bank handling fees.

Drainage Fund accounts for stormwater management and other drainage infrastructure. Funding sources are primarily from tax revenues received from the two mills assessed on real and personal property and certain business licenses.

DEBT SERVICE FUNDS

Debt service funds are used to account for resources accumulated and payments made for principal and interest on long-term debt of governmental funds. The City has the following debt service funds:

Governor's Park Fund accounts for the debt related to the construction of a tennis facility on Daniel Island for the annual Family Circle Cup Tournament.

Marine Science Museum Fund accounts for the debt service for an aquarium consisting of a state of the art marine science museum and educational facility, which features permanent exhibits, rotating exhibitions and educational accommodations.

Waterfront TIF Fund accounts for the tax increment financing proceeds and debt service payments for the Cooper River Waterfront Redevelopment Project.

Affordable Housing Fund accounts for the debt related to affordable housing projects. The fund also accounts for a related note receivable from the Housing Authority of the City of Charleston.

**CITY OF CHARLESTON, SOUTH CAROLINA
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2009**

	Special Revenue			
	Accommo-	Housing	Cultural	Hospitality
	dations	& Urban	Festivals	
	Tax	Development	and Events	Fee
Assets				
Cash and cash equivalents	\$ 336,881	\$ -	\$ 15,001	\$ 1,299,332
Receivables, net of allowances				
Taxes	-	-	-	-
Accounts	-	-	-	717,337
Other	-	25,889	12,992	18,273
Due from federal government	-	2,436,519	-	-
Due from state and local governments	659,024	-	12,070	-
Mortgages and other notes receivable	-	-	-	-
Interest receivable	-	-	-	-
Property held for sale	-	-	-	-
Due from component unit	-	-	-	-
Security deposits	-	-	11,418	-
Temporarily restricted				
Cash with fiscal agent	-	-	-	-
Total assets	<u>\$ 995,905</u>	<u>\$ 2,462,408</u>	<u>\$ 51,481</u>	<u>\$ 2,034,942</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 197,707	\$ 520,369	\$ 43,143	\$ -
Assets held for others	-	-	-	-
Accrued salaries, wages and benefits	-	-	1,461	-
Other accrued liabilities	-	525,329	327	-
Due to federal government	-	1,248	-	-
Due to state and local governments	-	-	-	-
Due to other funds	-	1,411,473	29,491	-
Deferred revenues	-	1,897	-	-
Unearned revenue	-	13,580	33,812	-
Total liabilities	<u>197,707</u>	<u>2,473,896</u>	<u>108,234</u>	<u>-</u>
Fund balances				
Reserved for				
Prepays and inventories	-	-	11,418	-
Debt service	-	-	-	-
Non-current receivables	-	-	-	-
Unreserved				
Designated for subsequent years' operations	-	-	-	250,000
Unreserved and undesignated, reported in				
Special revenue funds	798,198	(11,488)	(68,171)	1,784,942
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
Total fund balances	<u>798,198</u>	<u>(11,488)</u>	<u>(56,753)</u>	<u>2,034,942</u>
Total liabilities and fund balances	<u>\$ 995,905</u>	<u>\$ 2,462,408</u>	<u>\$ 51,481</u>	<u>\$ 2,034,942</u>

Justice Department Grants	Municipal Accommo- dations Fee	Resystem- ization	Environ- mental Settlements	SCE&G Non- Standard Service	Seized & Forfeited Assets	Storm- water Utility
\$ -	\$ 1,228,304	\$ 2,500	\$ 1,856,371	\$ 2,610,520	\$ 942,723	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	49,869
247,429	-	-	-	571,279	28,740	-
9,899	390,990	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	506,928
-	-	-	-	-	-	-
<u>\$ 257,328</u>	<u>\$ 1,619,294</u>	<u>\$ 2,500</u>	<u>\$ 1,856,371</u>	<u>\$ 3,181,799</u>	<u>\$ 971,463</u>	<u>\$ 556,797</u>
\$ -	\$ -	\$ 2,500	\$ -	\$ -	\$ 4,385	\$ 82,494
-	-	-	-	-	149,881	-
14,646	-	-	-	-	-	27,416
-	-	-	-	-	170	-
-	-	-	-	-	-	-
242,682	-	-	-	-	2,737	-
-	-	-	-	-	65,503	446,887
-	-	-	-	573,394	-	-
<u>257,328</u>	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>573,394</u>	<u>222,676</u>	<u>556,797</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,619,294	-	1,856,371	2,608,405	748,787	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>1,619,294</u>	<u>-</u>	<u>1,856,371</u>	<u>2,608,405</u>	<u>748,787</u>	<u>-</u>
<u>\$ 257,328</u>	<u>\$ 1,619,294</u>	<u>\$ 2,500</u>	<u>\$ 1,856,371</u>	<u>\$ 3,181,799</u>	<u>\$ 971,463</u>	<u>\$ 556,797</u>

(Continued)

CITY OF CHARLESTON, SOUTH CAROLINA
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2009

	Special Revenue		Capital Projects		
	Impact Fee	Other	Certificates of Participation	Drainage	Governor's Park
Assets					
Cash and cash equivalents	\$ 573,283	\$ 2,467,510	\$ 714,650	\$ 3,147,818	\$ 84,728
Receivables, net of allowances					
Taxes	-	-	-	623,747	-
Accounts	322	14,560	-	-	-
Other	-	113	-	-	-
Due from federal government	-	344,596	-	-	-
Due from state and local governments	-	189,328	-	877,769	-
Mortgages and other notes receivable	-	-	2,469,100	-	192,907
Interest receivable	-	-	-	-	5,208
Property held for sale	-	391,215	-	-	-
Due from component unit	-	-	-	-	-
Prepaid items	-	-	-	-	-
Temporarily restricted					
Cash with fiscal agent	-	11	-	-	-
Total assets	<u>\$ 573,605</u>	<u>\$ 3,407,333</u>	<u>\$ 3,183,750</u>	<u>\$ 4,649,334</u>	<u>\$ 282,843</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ 111,523	\$ 2,060	\$ 323,765	\$ -
Assets held for others	-	57,952	-	-	-
Accrued salaries, wages and benefits	-	14,878	-	-	-
Other accrued liabilities	-	37,187	-	-	-
Due to federal government	-	-	-	-	-
Due to state and local governments	-	18,800	-	-	-
Due to other funds	-	-	-	-	-
Deferred revenues	-	122,980	-	58,251	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>363,320</u>	<u>2,060</u>	<u>382,016</u>	<u>-</u>
Fund balances					
Reserved for					
Prepays and inventories	-	-	-	-	-
Debt service	-	-	-	-	-
Non-current receivables	-	-	2,469,100	-	192,907
Unreserved					
Designated for subsequent years' operations	-	-	-	-	-
Unreserved and undesignated, reported in					
Special revenue funds	573,605	3,044,013	-	-	-
Capital projects funds	-	-	712,590	4,267,318	-
Debt service funds	-	-	-	-	89,936
Total fund balances	<u>573,605</u>	<u>3,044,013</u>	<u>3,181,690</u>	<u>4,267,318</u>	<u>282,843</u>
Total liabilities and fund balances	<u>\$ 573,605</u>	<u>\$ 3,407,333</u>	<u>\$ 3,183,750</u>	<u>\$ 4,649,334</u>	<u>\$ 282,843</u>

Exhibit A

Debt Service			Total
Marine Science Museum	Water- Front TIF	Affordable Housing	Nonmajor Governmental Funds
\$ 256	\$ 648,900	\$ 28,820	\$ 15,957,597
-	879,823	-	1,503,570
-	-	-	782,088
-	-	-	657,286
-	-	-	3,028,544
-	88,098	-	2,227,178
-	-	9,981,500	12,643,507
-	-	-	5,208
-	-	-	391,215
-	-	-	506,928
-	-	-	11,418
-	-	-	11
<u>\$ 256</u>	<u>\$ 1,616,821</u>	<u>\$ 10,010,320</u>	<u>\$ 37,714,550</u>
\$ -	\$ -	\$ 1,000	\$ 1,288,946
-	-	-	207,833
-	-	-	58,401
-	-	-	563,013
-	-	-	1,248
-	-	-	21,537
-	-	-	2,196,036
-	90,280	-	846,802
-	-	-	47,392
<u>-</u>	<u>90,280</u>	<u>1,000</u>	<u>5,231,208</u>
-	-	-	11,418
-	-	28,820	28,820
-	-	9,981,500	12,643,507
-	-	-	250,000
-	-	-	12,953,956
-	-	-	4,979,908
256	1,526,541	(1,000)	1,615,733
<u>256</u>	<u>1,526,541</u>	<u>10,009,320</u>	<u>32,483,342</u>
<u>\$ 256</u>	<u>\$ 1,616,821</u>	<u>\$ 10,010,320</u>	<u>\$ 37,714,550</u>

**CITY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2009**

	Special Revenue				
	Accommo- dations Tax	Housing & Urban Development	Cultural Festivals and Events	Hospitality Fee	Justice Department Grants
Revenues					
Taxes					
Property, net of tax increment financing	\$ -	\$ -	\$ -	\$ -	\$ -
Tax increment financing districts	-	-	-	-	-
Other	-	-	-	9,199,899	-
Licenses, fees and permits	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Intergovernmental - federal	-	4,992,765	37,070	-	319,434
Intergovernmental - state and local	3,010,327	-	42,953	-	-
Charges for services	-	-	-	-	-
Revenues from use					
of money and property	2,409	259,762	-	14,021	3
Donations and settlements	-	-	213,438	-	-
Other	-	38,524	803,362	-	-
Total revenues	<u>3,012,736</u>	<u>5,291,051</u>	<u>1,096,823</u>	<u>9,213,920</u>	<u>319,437</u>
Expenditures					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	-	311,267
Public service	-	-	-	-	-
Urban and community development	-	4,526,476	-	-	-
Culture and recreation	1,071,975	-	1,397,131	320,633	-
Community promotions	995,598	-	-	-	-
Health and welfare	-	-	-	-	-
Capital outlay	-	-	-	-	8,177
Debt service					
Principal retirement	-	81,221	-	-	-
Interest and fiscal charges	-	107,196	-	-	-
Total expenditures	<u>2,067,573</u>	<u>4,714,893</u>	<u>1,397,131</u>	<u>320,633</u>	<u>319,444</u>
Excess (deficiency) of revenues over expenditures	<u>945,163</u>	<u>576,158</u>	<u>(300,308)</u>	<u>8,893,287</u>	<u>(7)</u>
Other financing sources (uses)					
Transfers in	-	-	426,575	-	7
Transfers out	(981,276)	(670,875)	-	(8,440,148)	-
Insurance recoveries	-	-	-	-	-
Total other financing sources (uses)	<u>(981,276)</u>	<u>(670,875)</u>	<u>426,575</u>	<u>(8,440,148)</u>	<u>7</u>
Net changes in fund balances	<u>(36,113)</u>	<u>(94,717)</u>	<u>126,267</u>	<u>453,139</u>	<u>-</u>
Fund balances					
at beginning of year	<u>834,311</u>	<u>83,229</u>	<u>(183,020)</u>	<u>1,581,803</u>	<u>-</u>
Fund balances at year-end	<u>\$ 798,198</u>	<u>\$ (11,488)</u>	<u>\$ (56,753)</u>	<u>\$ 2,034,942</u>	<u>\$ -</u>

<u>Municipal Accommo- dations Fee</u>	<u>Resystem- ization</u>	<u>Environ- mental Settlements</u>	<u>SCE&G Non- Standard Service</u>	<u>Seized & Forfeited Assets</u>	<u>Storm- water Utility</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
3,366,690	-	-	-	-	-
-	-	-	489,897	-	5,811,222
-	-	-	-	204,804	-
-	-	-	-	932	-
-	-	-	-	-	-
-	-	-	-	-	-
7,423	-	-	6,838	3,204	3,854
-	-	-	-	-	3,688
-	20	-	-	27,128	15
<u>3,374,113</u>	<u>20</u>	<u>-</u>	<u>496,735</u>	<u>236,068</u>	<u>5,818,779</u>
16,834	-	-	-	-	2,923,216
-	2,500	-	-	176,657	-
-	-	-	150,423	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	154,067	-
-	-	-	-	-	239,836
-	-	-	-	-	16,769
<u>16,834</u>	<u>2,500</u>	<u>-</u>	<u>150,423</u>	<u>330,724</u>	<u>3,179,821</u>
<u>3,357,279</u>	<u>(2,480)</u>	<u>-</u>	<u>346,312</u>	<u>(94,656)</u>	<u>2,638,958</u>
-	-	-	-	-	-
(3,459,500)	(121,488)	-	-	-	(2,643,828)
-	-	-	-	-	4,870
<u>(3,459,500)</u>	<u>(121,488)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,638,958)</u>
(102,221)	(123,968)	-	346,312	(94,656)	-
<u>1,721,515</u>	<u>123,968</u>	<u>1,856,371</u>	<u>2,262,093</u>	<u>843,443</u>	<u>-</u>
<u>\$ 1,619,294</u>	<u>\$ -</u>	<u>\$ 1,856,371</u>	<u>\$ 2,608,405</u>	<u>\$ 748,787</u>	<u>\$ -</u>

(continued)

**CITY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2009**

	Special Revenue		Capital Projects		
	Impact Fee	Other	Certificates of Participation	Drainage	Governor's Park
Revenues					
Taxes					
Property, net of tax increment financing	\$ -	\$ -	\$ -	\$ 1,697,984	\$ -
Tax increment financing districts	-	-	-	-	-
Other	-	-	-	-	-
Licenses, fees and permits	-	750,700	-	501,359	-
Fines and forfeitures	-	-	-	10,612	-
Intergovernmental - federal	-	1,539,884	271,659	-	-
Intergovernmental - state and local	-	148,917	-	-	150,000
Charges for services	131,670	-	-	-	-
Revenues from use of money and property	1,716	22,239	138,465	2,786	16,809
Donations and settlements	-	56,983	-	-	-
Other	-	51	-	-	150,000
Total revenues	133,386	2,518,774	410,124	2,212,741	316,809
Expenditures					
Current					
General government	-	480,734	21,389	341,314	-
Public safety	-	1,286,718	-	-	-
Public service	-	-	-	-	-
Urban and community development	-	433,548	-	-	-
Culture and recreation	-	91,295	-	-	-
Community promotions	-	-	-	-	-
Health and welfare	-	192,582	-	-	-
Capital outlay	-	1,908,813	365,029	2,698,651	-
Debt service					
Principal retirement	-	1,200,671	1,225,485	735,048	525,000
Interest and fiscal charges	-	582,039	405,530	140,687	292,131
Total expenditures	-	6,176,400	2,017,433	3,915,700	817,131
Excess (deficiency) of revenues over expenditures	133,386	(3,657,626)	(1,607,309)	(1,702,959)	(500,322)
Other financing sources (uses)					
Transfers in	-	1,849,163	2,073,813	2,618,828	630,000
Transfers out	(177,294)	(986,047)	(138,465)	-	-
Insurance recoveries	-	-	-	-	-
Total other financing sources (uses)	(177,294)	863,116	1,935,348	2,618,828	630,000
Net changes in fund balances	(43,908)	(2,794,510)	328,039	915,869	129,678
Fund balances at beginning of year	617,513	5,838,523	2,853,651	3,351,449	153,165
Fund balances at year-end	\$ 573,605	\$ 3,044,013	\$ 3,181,690	\$ 4,267,318	\$ 282,843

Exhibit B

Debt Service			
Marine Science Museum	Water- Front TIF	Affordable Housing	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 1,697,984
-	1,028,456	-	1,028,456
-	-	-	12,566,589
-	-	-	7,553,178
-	-	-	215,416
-	-	-	7,161,744
-	-	-	3,352,197
-	-	-	131,670
-	1,383	427,006	907,918
-	-	-	274,109
-	-	1,215	1,020,315
-	1,029,839	428,221	35,909,576
-	-	-	3,783,487
-	-	-	1,777,142
-	-	-	150,423
-	-	1,215	4,961,239
-	-	-	2,881,034
-	-	-	995,598
-	-	-	192,582
-	-	-	5,134,737
755,000	273,000	-	5,035,261
56,897	104,990	430,438	2,136,677
811,897	377,990	431,653	27,048,180
(811,897)	651,849	(3,432)	8,861,396
811,897	-	-	8,410,283
-	(525,000)	-	(18,143,921)
-	-	-	4,870
811,897	(525,000)	-	(9,728,768)
-	126,849	(3,432)	(867,372)
256	1,399,692	10,012,752	33,350,714
\$ 256	\$ 1,526,541	\$ 10,009,320	\$ 32,483,342

**CITY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL -
MUNICIPAL ACCOMMODATIONS FEE FUND
YEAR ENDED DECEMBER 31, 2009**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Over(under) Final Budget</u>
Revenues			
Other taxes	\$ 3,349,000	\$ 3,366,690	\$ 17,690
Revenues from use of money and property	-	7,423	7,423
Total revenues	<u>3,349,000</u>	<u>3,374,113</u>	<u>25,113</u>
Expenditures			
General government	-	16,834	16,834
Culture and recreation	25,000	-	(25,000)
Total expenditures	<u>25,000</u>	<u>16,834</u>	<u>(8,166)</u>
Other financing (uses)			
Transfers out	(3,459,500)	(3,459,500)	-
Total other financing uses	<u>(3,459,500)</u>	<u>(3,459,500)</u>	<u>-</u>
Net changes in fund balance	(135,500)	(102,221)	33,279
Fund balance at beginning of year	<u>1,721,515</u>	<u>1,721,515</u>	<u>-</u>
Fund balance at year-end	<u>\$ 1,586,015</u>	<u>\$ 1,619,294</u>	<u>\$ 33,279</u>